

BEFORE THE INSURANCE COMMISSIONER  
FOR THE STATE OF ARKANSAS

ARKANSAS INSURANCE DEPARTMENT )  
PETITIONER )  
 )  
VS. )  
 )  
LESLIE RICHARDSON; AND )  
THE LESLIE RICHARDSON AGENCY )  
RESPONDENTS )

A.I.D. NO. 2021- 12

CONSENT ORDER

On this day, the matter of Leslie Richardson and The Leslie Richardson Agency ("Respondents") came before Alan McClain, Arkansas Insurance Commissioner ("Commissioner"). The Arkansas Insurance Department ("Department") is represented by Associate Counsel, Gray Allen Turner.

GENERAL STIPULATIONS

1. It is expressly understood that this Consent Order is subject to the Commissioner's acceptance and has no force of effect until such acceptance is evidenced by the signature and entry of the Order by the Commissioner.
2. This Consent Order is executed by the Respondent for the purpose of avoiding further administrative action or litigation with respect to this cause. Furthermore, should this Consent Order not be accepted by the Commissioner, it is agreed that presentation to and consideration of this Consent Order by the Commissioner shall not unfairly or illegally prejudice the Commissioner from further participation or resolution of this matter or any administrative or other proceedings.
3. The parties understand and agree that this Consent Order applies only to the matters and things set forth in the Findings of Fact and matters and

things related thereto.

4. After having the opportunity for consultation with legal counsel, the Respondents, without admitting or denying the findings or staff allegations contained herein, expressly waive all further procedural steps, and expressly waive all right to a formal hearing, to seek judicial review of or to otherwise challenge the validity of the Consent Order, the stipulations and imposition of discipline contained herein, and entry of said Consent Order by the Commissioner. Entry of said Consent Order shall end all current controversies between the parties and upon entry the parties shall request any litigation be dismissed.

### FINDINGS OF FACT

1. Respondent, Leslie Richardson, holds an Arkansas resident producer license, NPN 16984417.

2. Respondent, The Leslie Richardson Agency, holds an Arkansas resident business entity producer license, NPN 300596175.

3. A dispute has arisen resulting in an administrative hearing being held February 6, 2020. The findings of the hearing officer were overturned by the Pulaski County Circuit Court and the case was subsequently appealed to the Arkansas Court of Appeals.

### CONCLUSIONS OF LAW

From the Findings of Fact contained herein, the Commissioner concludes as follows:

1. The Commissioner has jurisdiction over the parties and the subject matter pursuant to Ark. Code Ann. § 23-61-103.

2. Respondent Leslie Richardson shall pay an administrative payment in the amount of \$3000.00.

## ORDER

Now therefore, on the basis of the foregoing and the waiver by the Respondent of her right to a hearing and appeal under the Arkansas Administrative Procedures Act, Ark. Code Ann. §§ 25-15-201, et seq., and the admission by the Respondent of the jurisdiction of the Commissioner, the Commissioner finds that the Respondent has consented to the entry of this Order and that the following Order is appropriate and in the public interest.

### IT IS THEREFORE ORDERED THAT:

1. This Consent Order is in the public interest, is in the best interests of the parties hereto, and represents a compromise and settlement of the controversy between the parties and is for settlement purposes only. By her signature affixed below, the Respondent affirmatively states that she has freely agreed to the entry of this Consent Order, that she has had the opportunity to consult with legal counsel, should she have desired to do so, that she waives her rights to a hearing on the matters underlying this Consent Order, and that no threats or promises of any kind have been made by the Commissioner, the Department, or any agent or representative thereof. The parties, by signing this Consent Order, affirmatively state their agreement to be bound by the terms of this Consent Order and aver that no promises or offers relating to the circumstances described herein other than the terms of settlement set forth in this Consent Order, are binding upon them.

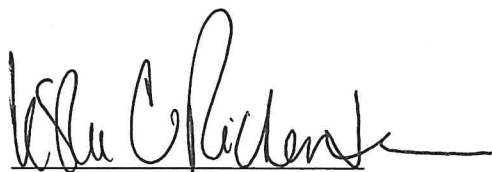
2. Upon entry of this Order, the parties agree to fully pay their own costs associated with this proceeding, including attorney fees, and to forego seeking reimbursement for such costs from the other party in any forum.

3. Upon entry of this order the parties shall submit a motion with the Arkansas Court of Appeals requesting that Case No. 21-94 be dismissed.

4. On March 13, 2020, after being given notice and hearing, the Arkansas resident insurance producer licenses of the Respondents were revoked by order of the Commissioner. This order is memorialized as A.I.D. Order 2020-23. The Respondents filed a timely petition for judicial review with the Pulaski County Circuit Court. The Respondents' insurance producer licenses were temporarily reinstated during the pendency of the circuit court review on April 10, 2020, as reflected in A.I.D. Order 2020-28. This order rescinds the insurance producer

license temporary suspension order issued in A.I.D. Case No. 2019-76, the insurance producer license revocation order issued in A.I.D. Case No. 2020-23, and the order temporarily reinstating the Respondents' insurance producer license in A.I.D. No. 2020-28. This order shall be considered the final disposition of the administrative action in this case and the only order that must be reported and disclosed by the Respondents for purposes of compliance with Ark. Code Ann. § 23-64-517 and similar statutes in other states.

IT IS SO AGREED AND ORDERED this 12<sup>th</sup> day of April, 2021.



LESLIE RICHARDSON  
RESPONDENT



ALAN MCCLAIN  
INSURANCE COMMISSIONER  
STATE OF ARKANSAS



**IN THE CIRCUIT COURT OF PULASKI COUNTY, ARKANSAS  
FIFTH DIVISION**

**LESLIE RICHARDSON, INDIVIDUALLY  
AND ON BEHALF OF THE LESLIE  
RICHARDSON AGENCY**

**PETITIONER**

**V. 60CV-20-2402**

**ARKANSAS INSURANCE DEPARTMENT;  
ALAN MCCLAIN, COMMISSIONER,  
IN HIS OFFICIAL CAPACITY**

**RESPONDENTS**

**MEMORANDUM ORDER**

On October 30, 2020, the Court held a final hearing on Leslie Richardson's administrative appeal from the Arkansas Insurance Department's decision to revoke her insurance producer license and the business entity producer license for the Leslie Richardson Agency. James Simpson appeared on behalf of Petitioner Leslie Richardson. Gray Turner appeared on behalf of the Respondents Arkansas Insurance Department ("the Department") and Commissioner Alan McClain.

**FACTUAL BACKGROUND**

Richardson held a resident producer license, NPN 16984417, and her agency held Arkansas resident business entity producer license, NPN 300596175. Richardson sought judicial review of the March 13, 2020 Revocation Order that permanently revoked the aforementioned licenses

and affirmed the Department's November 13, 2019 Emergency Suspension Order for both licenses.

The Department began investigating Richardson on September 13, 2019. The investigation continued for two months before the Department issued the November 13, 2019 Emergency Suspension Order. No notice or hearing was provided to the Richardson before the entry of the Emergency Suspension Order. The Department revoked the aforementioned licenses because Richardson allegedly violated the following statutes: § 5-41-104 computer trespass, §23-64-512(a)(2) presented false statements and misrepresentations to investigators, §5-36-107 Theft of Trade Secrets and wrongfully obtained and possessed American Safeguard Insurance ("ASI") documents in violation of the non-compete agreement with ASI.

In her Petition for Review, Richardson alleges that the Department violated its own policy and statutory law by entering the Emergency Suspension Order on November 13, 2019 without providing her notice or a hearing. A hearing was not held until February 6, 2020, when the Department decided to permanently revoke Richardson's licenses. Richardson requests that the Court reverse the decision of the Department on constitutional and statutory grounds.

## ANALYSIS

Respondents concede that an insurance producer license is a valuable property interest. The Constitution of the United States guarantees due process before the Government may permanently deny a person of their life, property, or liberty. *Amendment 14 to the Constitution of the United States*. "One who practices his profession has a property interest in that pursuit which may not be taken from him or her the whim of the government without due process." *Arnold v. Kemp*, 306 Ark 294, 813 S.W.2d 770 (1991). A person must be given meaningful notice and a hearing before he or she may be permanently deprived of valuable property. Arkansas law is also clear that "[d]ue process requires at a minimum that a person be given notice and a reasonable opportunity for a hearing before he or she is deprived of property by state action." *Chandler v Martin*, 2014 Ark. 219; 433 S.W.3d 884 citing *State of Wash. v Thompson*, 339 Ark. 417, 6 S.W.3d 82 (1999).

A.C.A. § 23-64-216 governs suspension or revocation and states that the "Insurance Commissioner may suspend for up to thirty-six (36) months, may revoke or refuse to continue, or may place in probationary status any license issued by him or her if **after notice to the licensee and after hearing** he or she finds any one (1) or more of the following causes exist..." (*emphasis added*). Summary suspension without a hearing under A.C.A. §



25-15-211(c) requires that sufficient facts exist to find "that public health, safety, or welfare imperatively requires emergency action."

The Court holds that the Department denied Richardson's right to notice and an opportunity to be heard in violation of the Due Process Clause of the Fourteenth Amendment to the Constitution of the United States when it summarily suspended her resident producer license, NPN 16984417, and her business entity producer license, NPN 300596175. Plainly, Richardson was entitled to notice and a hearing before being deprived of the property rights in her licenses unless there was evidence of emergency circumstances that threatened public health and safety pursuant to A.C.A. § 25-15-211(c). There is no such evidence in the record. Accordingly, the Court hereby REVERSES the Department's revocation of licenses NPN 16984417 and NPN 300596175.

IT IS SO ORDERED, this 3rd day of November 2020.

  
CIRCUIT JUDGE